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SUBJECT: MEDIA REACTION: WESTERN HEMISPHERE: SOUTH AMERICA,
VENEZUELA, BRAZIL, URUGUAY, BOLIVIA, MERCOSUL; SAO PAULO

11. "Fragmentation Of Latin America"

University of Sao Paulo Professor Boris Fausto opined in liberal Folha de S. Paulo (5/8): "President Evo Morales' decision to nationalize the Bolivian oil and gas industry, using the military and exacerbating the nationalist climate, is of itself a serious occurrence, but it fits into an even dimmer scenario. Actually, despite endless discourses on South America's integration, what has become evident is the continent's increasing fragmentation.... The episode has shown the strong ties uniting Fidel Castro, Hugo Chavez and Evo Morales - a trio combining the old-style communism of one of them with the populist delirium of the other two.... This and other facts point clearly towards the fragmentation of Latin American nations. Mercosul today is an institution suffering from an acute or even terminal crisis.... The Venezuelan president interferes in other nations' internal affairs.... Brazil's responsibilities regarding Latin-American relations have increased given this scenario. Unfortunately, however, the precedents are not optimistic given the misunderstandings and failures of Brazilian foreign policy. Brazil's supposed 'natural hegemony' in South America, which was proclaimed by the current administration, only increased its rivalries with Argentina."

12. "Vienna, A Stage For Chavez"

Center-right O Estado de S. Paulo stressed (5/8): "Vienna will be the next scenario in which Venezuelan President Hugo Chavez will be able to exhibit his increasing and deplorable influence in Latin-American policy.... The 4th European Union-Latin America Summit was designed to foster inter-regional cooperation, especially in trade. But every plan involving South Americans becomes uncertain with Chavez's noisy and generally histrionic presence.... Chavez was one of those responsible for preventing the re-launching of the FTAA in the Summit of the Americas last year in Argentina.... Lula has been unable to react to the influence of Chavez, who has gradually become Bolivian President Evo Morales' mentor.... It will be an enormous surprise if Chavez's participation in the summit is discreet and reasonably rational. This does not fit in his modus operandi.... The damage will be much more significant -and will go beyond ridicule - if Chavez hampers attempts to create a commercial understanding between Andean and European nations. No one knows what Chavez's behavior will be when the EU and Mercosul representatives discuss the re-launching of negotiations between the two blocs.... Chavez's association with Mercosul makes the future of this project even more uncertain. The only thing that is certain is his increasing interference in his neighbors' affairs, encouraged by Lula's subservience."

13. "Uruguay Prefers The US"

Center-right O Estado de S. Paulo (5/7) editorialized: "It seems clear that Uruguayan President Tabare Vazquez will not hesitate to leave Mercosul if the project of a trade agreement with the US advances. After all, Uruguay can only profit from the change, especially if Mercosul continues stuck in the disputes between Brazil and Argentina and without prospects of agreements with the US and the European Union."

14. "Shame In Puerto Iguazu"

The lead editorial in center-right O Estado de S. Paulo (5/6) remarked: "The presidential meeting in Puerto Iguazu [Argentina] served only to confirm the victory obtained by Hugo Chavez as a result of his tutored Andean leader's [Evo Morales] decision announced on May 1st. It was also an opportunity for Lula - the only loser in the episode - to take on an embarrassing role.... Lula chose the path of capitulation to please the neighbors who resented his aspirations of regional leadership, and this is something that he and only he refuses to see.... The tacit support that Lula provides to Chavez is a demonstration of irresponsibility that will become part of history. On behalf of an illusion, Lula seems to have abandoned the defense of Brazilian national interests. In Puerto Iguazu, he was a shy supporting actor in a show stolen by star Hugo Chavez."

15. "The Price Of Illusions"

Sociologist Francisco Weffort observed in center-right O Estado de S. Paulo (5/6): "President Lula's South American policy collapsed like a house of cards as a result of Evo Morales' maneuver that nationalized Bolivian gas and oil exploration and production.... Since he adores selling illusions, Lula has promised to discuss the

subject in conversations with Morales, Nestor Kirchner and Hugo Chavez.... Unnerved by its chief's delusions, the GOB's first responses to the crisis are not hopeful.... This crisis teaches Brazil some lessons. The first is to look for alternatives to Bolivian gas as soon as possible.... The second is that alliances between nations can only occur in a scenario far away from the demagoguery of Lula, Chavez, etc. They can only occur between economic and politically stable nations willing to respect contracts, and obviously that has not been Morales' case since winning the elections. The fact that Lula supported Morales in the elections demonstrates once again his ignorance in international affairs and his inclination to deceive himself regarding his own power."

McMullen